

August 29, 2008

Mr. Calvin Jenkins
Acting Associate Administrator for
Government Contracting and Business Development
U.S. Small Business Administration
409 3rd Street S.W.
Washington, D.C. 20416

Dear Mr. Jenkins:

Enclosed please find the Small Business Scorecard Plan for Fiscal Year 2009 from the Department of Health & Human Services.

Small business achievement is a key performance element in Secretary Leavitt's Departmental Objectives. We are pleased to submit this Plan which speaks to our efforts to promote a strong and vibrant small business climate here at the Department.

Should you have questions, please have someone on your staff direct them to me. I may be reached on 202-690-7235 or at debbie.ridgely@hhs.gov. If you would be so kind, please copy my Senior Advisor at clarence.randall@hhs.gov.

Sincerely,

/s/

Debbie Ridgely
HHS OSDBU Director

Department of Health and Human Services
FY2009 Small Business Scorecard Plan

Actions taken:

X Meets all Progress Requirements:

1) X Implemented strategic plan to increase the number of competitively awarded contracts to small businesses during the period.

- a) The Office of Small and Disadvantaged Business Utilization (OSDBU) has organized its responsibilities, programs and activities under three lines of business: advocacy, outreach and unification of the business process. The results achieved under all three lines of business, support the accomplishment of HHS' strategic goal - to encourage and assist the participation of all small businesses in HHS' contracts. The OSDBU has published a Small Business Program Policy Manual, for internal and external use, to ensure small businesses compete for and receive a fair share of the Department's expenditures.
- b) HHS assessed its Small Business Program in Fiscal Year (FY) 2007 and 2008 through a Climate Assessment Study with emphasis on improving awards to the small business community in all socioeconomic areas where it was not meeting our goals especially goals for Service-Disabled Veterans, HUBZone and 8(a) companies. The findings from the Study were shared with the Deputy Secretary and other senior leaders within the Department. Throughout 2008 we continued to deliver this message to both acquisition and program office staff as part of our classroom training across our Operating Divisions. For FY 2009 we intend to rollout an enhanced and more formalized training initiative to support the study's findings to increase the overall level of awareness and understanding of the Small Business Program at the Department.
- c) HHS uses a Small Business Review Form (653) to review every acquisition over \$100,000, including GSA schedule and GWAC buys, and requirements under the Simplified Acquisition Threshold that are NOT set-aside for small business. Our Small Business Specialists are co-located in our Operating Divisions with both the acquisition and program office personnel. The Specialists review the requirements and recommend the most appropriate acquisition strategy with the goal of increasing awards to the small business community. In addition, the Small Business Administration's Procurement Center Representative (SBA PCR) for HHS serves as a third party independent reviewer.
- d) HHS will hold eleven (11) Department-wide Small Business Vendor Outreach Sessions in FY 2009 (second Tuesday of each month), offering opportunities for small businesses to meet with Small Business Specialists, the OSDBU Director, major prime contractors (for subcontracting opportunities), and HHS contracting and program office officials.
- e) HHS' OSDBU Director holds weekly and monthly staff meetings with all staff and participation is mandatory. The Director provides guidance and direction to the staff and Small Business Specialists are actively engaged in broad discussions on small

business issues and strategies to increase the number of competitively awarded contracts to small businesses.

- f) HHS will sponsor and host a national outreach event in November 2008 exclusively for Service-Disabled and Veteran-Owned, HUBZone and 8(a) Small Businesses, known as VH8 Day. This is the area where HHS needs the most improvement in contract awards. VH8 Day will include addresses by HHS' Senior Procurement Executive, the OSDDBU Director, Chief Contracting Officers and individual meetings between small business participants and program and contracting officials from all ten (10) Operating Divisions.
- g) HHS will devote the March 2009 Vendor Outreach Session to Women-Owned Small Businesses. Throughout the year we will participate in other local and regional events for women. HHS has held at or slightly below the 5% goal for the past several years.
- h) In FY 2009, HHS will create a new Department-wide Mentor-Protégé Program for the purpose of developing increased small business capability to provide services and products (such as biomedical) not currently available from small businesses. This will help us increase and diversify our vendor base.
- i) HHS will continue to be a major Executive Agency Co-Sponsor and active participant in national small business conferences, including GSA's "Opening Doors", the Fifth Annual National Veterans Small Business Conference and Expo, Small Business Week, 19th. Annual OSDDBU Conference, Minority Enterprise Development (MED) Week, U.S. Pan-Asian Small Business Conference, and the U.S. Women's Chamber of Commerce National Conference. In addition, HHS will continue to participate in monthly regional events such as GovConnectx Foundation which is geared towards matching SDVBOSB concerns with Executive Agencies and prime contractors.
- j) An element of every Small Business Specialist's performance plan will be to conduct an Operational Division (OPDIV) specific Small Business outreach event. These industry days will center on one-on-one meetings with program and contracting officials, assuring that every OPDIV will have such an event in 2009 and each OPDIV will focus on the socioeconomic categories where it needs the most improvement.
- k) Effective October 1, 2008, HHS' OSDDBU will fully implement ("go live") a new procurement forecast tool to allow acquisition staff to post requirements 24/7 in real time. The new forecast tool allows vendors to more efficiently search for and identify contracting opportunities across the Department. The electronic forecast tool offers more useful, detailed and current information.

2) X Demonstrated top-level Agency commitment to small business contracting during the period.

- a) The Operational Division Heads report to the Deputy Secretary. Meeting or exceeding every single socioeconomic goal is incorporated into every Operational Division Head's Performance Plan (NIH, CDC, FDA, etc.). This standard is applied to lower tier managers, acquisition officials and program office personnel that conduct or influence the procurement of goods and services at HHS.
- b) HHS' Deputy Secretary will issue a new directive in FY 09 to HHS' Operational Division Heads supporting the enhanced training program for all acquisition and

program office staff to increase the numbers and dollars of awards made to small business companies. This also supports the unification of the business process.

- c) The HHS OSDBU Director, who reports directly to the Deputy Secretary (DS), will brief the Deputy Secretary at least once a quarter in FY 2009 on the status and accomplishments of the Department's Small Business Program and have discussions on strategies for improvement.
- d) The Deputy Secretary is the designated senior official responsible for managing efforts and ensuring compliance with all Executive Orders that impact the Small Business Program.
- e) The HHS OSDBU Director is a sitting member of the Executive Committee for Acquisition (ECA), chaired by the Deputy Assistant Secretary for the Office of Acquisition Management and Policy. Membership of the ECA is further comprised of the ten (10) Heads of the Contracting Activity (HCAs) from each Operating Division. The ECA will meet once every quarter in FY 2009 to present individual briefings and engage in discussions regarding the Department's contracting program, status, achievements, initiatives and challenges. Attendance and active participation are mandatory for all HCAs. The OSDBU Director is always expected to address this body as a featured speaker on the agenda to update the HCAs on the latest small business developments and to discuss areas where improvement is needed.
- f) The HHS Small Business Program Policy Manual has been endorsed as Department policy by senior leadership and has been posted on the OSDBU's website for access and direction by all HHS personnel. In addition, acquisition-related activities and program office personnel are trained to utilize the manual as a primary reference material. We also encourage the small business vendor community to refer to the manual for guidance and direction. Providing this Departmental policy ensures consistency, fairness, and clear direction.
- g) HHS will establish and rollout a Small Business Awards program in FY 2009. Awards will provide recognition for both internal and external achievements and improvements.

3) X Planned significant events to increase small business participation in the procurement process during the period.

- a) As discussed under 1.f., HHS will conduct a national outreach event in November 2008 exclusively for Service-Disabled Veteran-Owned, HUBZone and 8(a) Small Businesses (known as VH8 Day), including addresses by HHS' Senior Procurement Executive, the OSDBU Director, Chief Contracting Officers and individual meetings between small business participants and program and contracting officials from the ten (10) Operating Divisions with contractual authority.
- b) HHS will continue to be a major Executive Agency Co-Sponsor and active participant in national small business conferences, including GSA's "Opening Doors", the Fifth Annual National Veterans Small Business Conference and Expo, Small Business Week, 19th Annual OSDBU Conference, MED Week, U.S. Pan-Asian Small Business Conference and the U.S. Women's Chamber of Commerce National Conference.
- c) HHS completed three (3) Federal procurement training sessions in 2008 at Minority Institutions of Higher Education (MIHE) in support of the Higher Education Act as

amended and set forth in Executive Orders 12928, 13256, 13230 and 13270. HHS will expand the program in 2009 conducting four (4) training events with MIHE and the small business community to strongly encourage teaming between the MIHE and small businesses, as they seek Federal Government opportunities.

- d) As discussed under 1.d., HHS will hold eleven (11) Vendor Outreach Sessions throughout the year designed to specifically increase our small business awards and to diversify our vendor base.
- e) As mentioned under 1.g, HHS will conduct a Vendor Outreach Session in March 2009 specifically tailored for Women-Owned Businesses.

4) X Demonstrates that small business data is accurately reported in FPDS-NG during the period.

- a) HHS OSDBU office transmits small business goal achievement reports on a weekly basis to the Senior Procurement Executive and to the Heads of the Contracting Activities (HCAs), asking the HCAs to share achievements with their Contracting and Program Office personnel. More importantly, the OSDBU asks the HCAs to verify the accuracy and timeliness of their data input and make the necessary corrections to comply with OFPP Memorandum of March 9, 2007, titled "Federal Procurement Data Verification and Validation". The Department's Office of Acquisition Management and Policy conducted a statistically valid sample of the data accuracy in FY 08 and will refine their planning and guidance to enhance the training for the acquisition staff in FY 09.
- b) HHS Small Business Specialists, who are co-located in the Operating Divisions with the HCAs, Contracting Officers/Specialists and Program Office Staff, will conduct random audits to assess the accuracy of data reported in FPDS-NG throughout FY 2009. Corrective action is an on-going effort.
- c) HHS has developed and implemented an FPDS-NG data accuracy performance indicator for its Acquisition Dashboard.
- d) HHS has revised and strengthened the HHS Acquisition Regulations (HHSAR) provisions concerning FPDS-NG data accuracy; and Contracting Officers are required to certify data input elements for completeness and accuracy prior to signing any contracts, orders, or modifications.
- e) HHS has established expanded FPDS-NG oversight and reporting responsibilities to include the Office of Acquisition Management and Policy, the Change Control Board and the Heads of the Contracting Activities.
- f) HHS has revised and strengthened the HHS Acquisition Regulations (HHSAR) provisions concerning FPDS-NG data accuracy; and Contracting Officers are required to certify data input elements for completeness and accuracy prior to signing any contracts, orders, or modifications. Further, the revisions established expanded FPDS-NG oversight and reporting responsibilities to include the Office of Acquisition and Management Policy, the Change Control Board and the HCAs.

5) X Demonstrates that policies and procedures are in place to ensure compliance with subcontracting plans and attainment of subcontracting goals during the period.

- a) HHS has fully implemented the Electronic Subcontracting Reporting System (eSRS) in all Operating Divisions and a senior member of the OSDDBU Director's immediate office serves as the Agency Coordinator, serves on the eSRS Users Group and serves on the eSRS Change Control Board.
- b) HHS has established eSRS Points of Contact (POCs) in every Operating Division and the eSRS Agency Coordinator will train all of the Department's eSRS POCs on the full purpose, functionality and capabilities of the system and keep them abreast of any new policy developments.
- c) HHS Small Business Policy Manual outlines the requirements for a successful subcontracting plan at HHS and the attainment of subcontracting achievements are monitored on a continual basis.
- d) HHS Small Business Specialists review and recommend strong levels of subcontracting participation on each subcontracting plan submitted for review and concurrence. The Small Business Specialists will work closely with the Contracting and Program Office staff to ensure the most acceptable subcontracting plan. The plans are also reviewed and concurred in by the HHS PCRs.
- e) HHS OSDDBU posts subcontract and prime dollar level goals on their website, as well as a current Active Contracts Listing to assist small businesses in identifying potential subcontracting opportunities and teaming/subcontracting partners.
- f) As mentioned earlier under 1.d and 3.d, HHS will continue to invite prime contractors to its monthly Vendor Outreach Sessions to facilitate the "B 2 B" meetings between small businesses and large businesses seeking potential teaming partners for subcontracting opportunities.
- g) HHS provides daily assistance to prime contractors to ensure compliance with subcontracting plans and goal achievement through our Agency Coordinator and our Operating Division POCs, and the Small Business Specialists in each Operating Division.
- h) HHS will continue to participate in the Interagency Subcontracting Taskforce which was assembled to develop the new subcontracting plan segment for the eSRS.

6) X Demonstrates that no unjustified bundling has taken place during the period.

- a) The agency has an established, documented process in place with specific procedures to be followed on bundled actions.
- b) HHS Small Business Specialists review all requirements over \$100K and all requirements under the SAT that are not set-aside for small businesses to determine that no unjustified bundling is taking place. The HHS small business review process requires a justification from one level above the Contracting Officer, if bundling occurs. In addition, if bundling is present the requirement must be reviewed by the OSDDBU Director.

- c) HHS has a review process in place requiring acquisition staff to verify in FPDS-NG that a requirement is not being bundled or justification must be provided for why it is being bundled and what steps have been taken to mitigate the bundling.
- d) OSDBU Small Business Specialists review these reports as part of the Agency's 653 review process and each procurement is reviewed individually to assure that procurements are not a result of bundling.
- e) HHS reviews FPDS-NG quarterly to track any actions coded as bundled and conducts random sampling of the files.
- f) The HHS SBA PCRs review all acquisitions over \$100,000 to determine whether or not unjustified bundling is taking place.

7. X Planned training to contracting staff and managers, and program officials on executing small business/socioeconomic procurements.

- a) In FY 2009 HHS will rollout an enhanced Department-wide Small Business training program for all contracting staff and program officials. Passage of an examination at the end of training will be required for participants to receive credit for attendance. This ties back to the OMB requirement to attain 80 hours of Continuous Learning Points (CLPs) for all acquisition and program office personnel every two (2) years.
- b) Training will be targeted at all acquisition and program office staff with particular emphasis on new staff or those who have not previously received any small business training classes. We will conduct semi-annual small business program training for Operational Division acquisition and program office staff.
- c) The immediate office will provide supplemental information on relevant small business topics via e-mail to the Heads of the Contracting Activities and ask that the information be shared with the appropriate program office staff.
- d) Various Operational Divisions will conduct procurement conferences in FY 09 and our Small Business Specialists will provide specific small business training at these events.

8. X Plans to collaborate with SBA on formulation of small business procurement policy initiatives during the period.

- a) HHS OSDBU Director attends the Small Business Procurement Advisory Council (SBPAC) meetings and actively participates in the discussions related to procurement policy.
- b) HHS will coordinate and collaborate with SBA officials on all new small business procurement policy.
- c) HHS has a current Partnership Agreement with SBA for the 8(a) Program and will be training the procurement workforce in regularly scheduled training sessions.
- d) HHS works closely with its SBA PCRs in early acquisition planning and program execution and invites the SBA PCR assigned to the Department to our outreach events.

9. **X** **Agency submits all strategic plans and reports that become due to SBA during the reporting period.**

- a) HHS will submit all required plans and reports to SBA in a timely manner. The HHS reports are as follows: Small Business Innovative Research (SBIR) Annual Report, Small Business Technology Transfer (STTR) Annual Report, Competitive Demonstration Program Report, Annual Report and Update for the Strategic Report to Contract with Service Disabled Veteran-Owned Small Businesses, Annual Contract Bundling Report and Progress Report on Increasing Opportunities for Women-Owned Businesses.